

FIG. 1

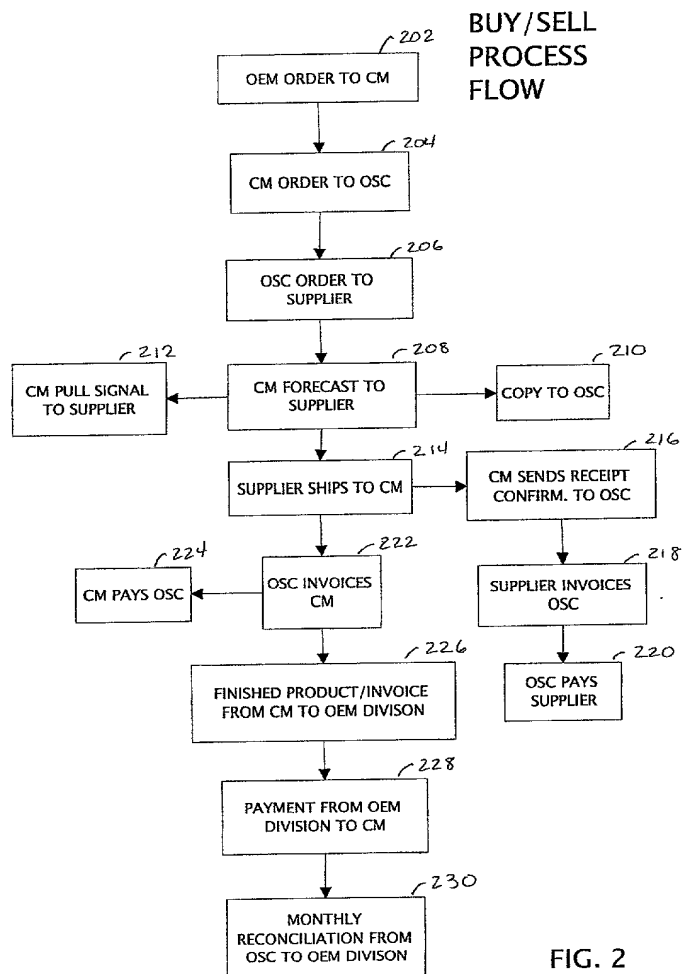


FIG. 2

FIG. 3

Exception Flow Guidelines

Preferred Sourcing Logistic	Existing CM		New CM (proj. savings/yr)
	Existing Supplier (proj. savings/yr)	New Supplier (proj. savings/yr)	
CM Direct Buy w/ OEM Benchmark	N/A	N/A	N/A
OEM Directed Sourcing	N/A	No Limit by P/N Total Savings w/ Supplier > \$50K	No Limit by P/N Total Savings w/ CM > \$100K
OEM Buy / Sell	\$10K per P/N	\$10K per P/N Total Savings w/ Supplier > \$100K	\$10K per P/N Total Savings w/ CM > \$250K

FIG. 4

Cost Drivers

Sourcing Directive	New Suppliers	New CM
OEM Directed Sourcing	- RFQ / Contract	- Order Book Link - DCF
OEM Buy / Sell	- EDI - VMI	- EDI - VMI - A/R

FIG. 5